

Dated May 21, 2007

ASX Release

## Exploration Update – Nullagine Project

- **Results received from Woggies CID extends known mineralisation at Outcamp - best results include:**
  - 2 m @ 58.4 % Fe (65.4 % Calcined Fe) from surface
  - 6 m @ 54.7 % Fe (61.5 % Calcined Fe) from surface
- **Interim results from Goongan Well Prospect indicate additional mineralised CID with best results of:**
  - 5 m @ 58.7 % Fe (66.4 % Calcined Fe) from 5 m
  - 9 m @ 57.3 % Fe (65.3% Calcined Fe) from 5 m
- **Scoping study to commence on the Outcamp Prospect which comprises an Exploration Target of between 15 and 20 Mt at between 56 to 58 % Fe**

BC Iron Limited (ASX: BCI) provides a further update of activities and RC assay results from the reverse circulation (RC) drilling program at its Nullagine Project in Western Australia's Pilbara region (Figure 1).

### Drilling Results

Of 183 holes completed, analytical results have now been received for 109 holes, BDRC0001-0109 (Table 1) including from the Woggies & Ornamental Prospects on the Bonnie Creek CID (Figure 2 & 3). Results from the Outcamp Prospect were the subject of the Company's announcement on 3 May 2007.

Partial results from other prospects have also been received; all results are presented in Table 2.

Drilling at **Woggies & Ornamental Prospects** intersected interbedded iron-rich CID (FeCID) and clay-pisolite CID (cyCID) which resulted in lower iron grades and elevated values of alumina ( $Al_2O_3$ ) and silica ( $SiO_2$ ).

The **Woggies Prospect** is the western extension of the Outcamp Prospect. Results include high iron grades at its eastern end next to the Outcamp Prospect. Towards the west, the CID comprises cyCID with a central channel of narrow and thin FeCID.

The **Ornamental Prospect** consists of cyCID and iron laterite with minor FeCID in a narrow channel towards the north. Clay enrichment results in lower iron grades and the broad thicknesses mapped in previous field work is due to an iron-pisolite carapace over iron-rich laterite.

The initial RC drilling program 183 holes for 4,531 metres has tested most of the Bonney Creek CID. A further 150 holes for approximately 3,000 metres remain to be drilled at Bonnie Creek and Shaw River (Figure 2) following completion of a heritage survey scheduled for the next few weeks.

Analytical results for the remaining 74 holes, including the remainder of the Goongan Well Prospect, are expected to be received during the next two weeks.

### **Outcamp Prospect Scoping Study**

Based on the current drilling density of approximately 1,000 m by 100 m, the Outcamp Prospect and the east end of Woggies Prospects (Figure 4) represent an Exploration Target<sup>1</sup> of between 15 and 20 Mt at grades of between 56 and 58 % Fe with low impurities. Full details of the drilling at the Outcamp Prospect were released on 3 May 2007. Golder Associates have been retained to commence a scoping study on the Outcamp Prospect to assess the opportunity for commercial extraction of the CID. As drilling progresses, additional identified targets will be included in the study.

Drilling at Woggies & Ornamental Prospects intersected interbedded iron-rich CID (FeCID) and clay-pisolite CID (cyCID) which resulted in lower iron grades and elevated values of alumina (Al<sub>2</sub>O<sub>3</sub>) and silica (SiO<sub>2</sub>). However, partial results from Goongan Well indicate that other zones of mineralised FeCID exist within the Bonnie Creek CID.

The established potential of the Outcamp Prospect together with the anticipated results from the prospective Shaw River CID, to be drilled in June, confirm the Company's belief that the Project has the potential to host significant tonnages of direct shipping ore.

Yours faithfully,  
for **BC IRON LIMITED**

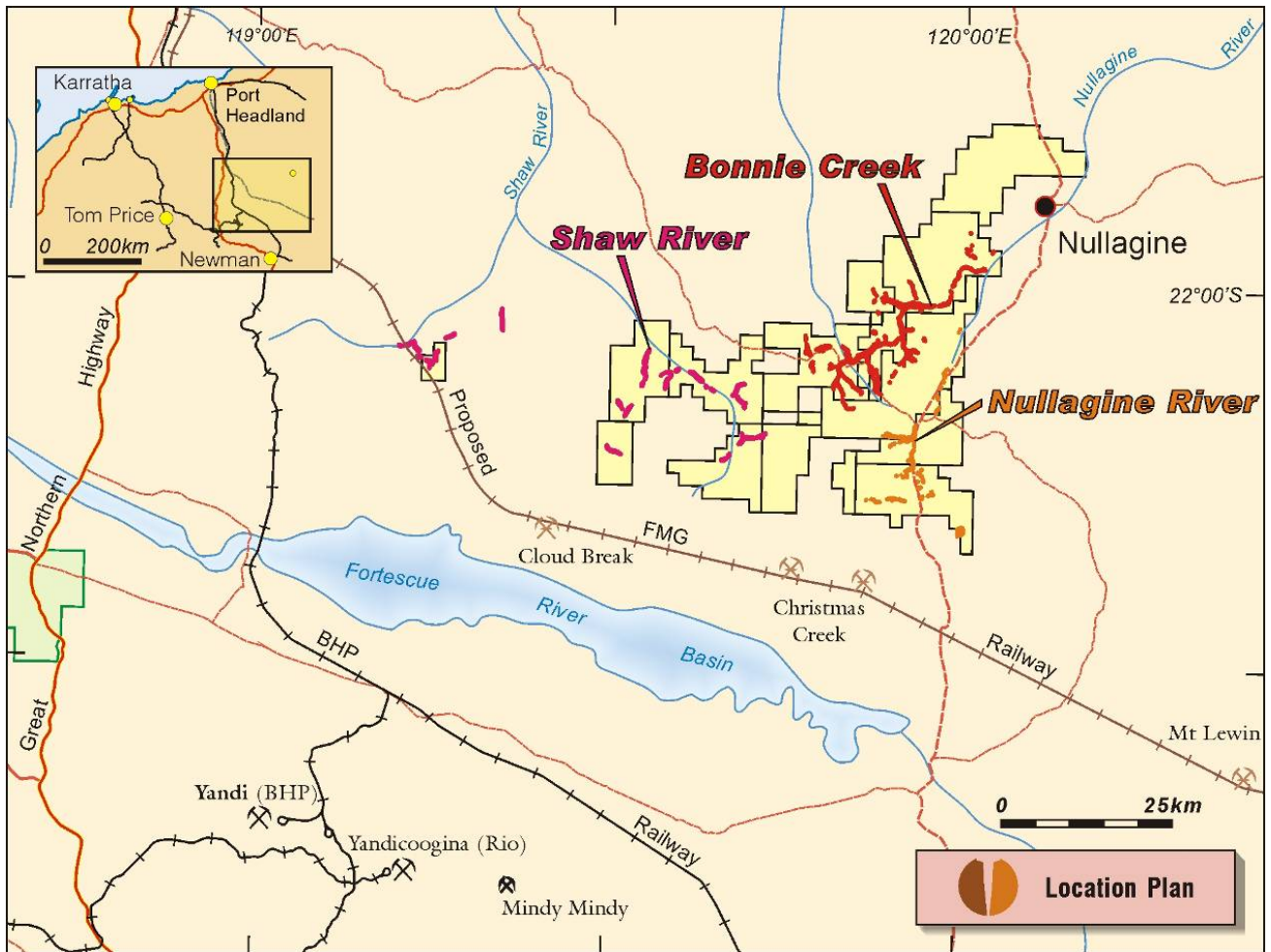


**Managing Director**

*The information in this report that relates to Exploration Results is based on information compiled by Mr M Young and Mr T W Ransted both of whom are Members of The Australasian Institute of Mining and Metallurgy. Mr Young and Mr Ransted each have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Both Mr Young and Mr Ransted consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.*

*Note 1 - The Exploration Target should not be misinterpreted as an estimate of Mineral Resources or Ore Reserves. The potential quantity and grade is conceptual in nature since drilling is too widely spaced to define a JORC compliant Mineral Resource. It is unknown if further drilling will result in the determination of a Mineral Resource.*

Figure 1 – Location Map of the Nullagine Project



**Table 1 Collar locations – Bonnie Creek CID**

<b>Hole No</b>	<b>Depth</b>	<b>East MGA</b>	<b>N MGA</b>	<b>RL AHD</b>
BDRC0025	34	800,748	7,557,003	485
BDRC0026	36	800,658	7,557,039	485
BDRC0027	35	800,574	7,557,081	486
BDRC0028	17	800,483	7,557,120	485
BDRC0029	11	800,403	7,557,155	482
BDRC0030	36	802,204	7,555,036	510
BDRC0031	34	802,208	7,555,115	510
BDRC0032	44	802,212	7,555,204	510
BDRC0033	41	801,767	7,554,259	512
BDRC0034	29	801,695	7,554,201	511
BDRC0035	28	801,618	7,554,138	510
BDRC0036	28	801,541	7,554,076	510
BDRC0037	36	800,884	7,553,771	509
BDRC0038	33	800,824	7,553,815	507
BDRC0039	35	801,117	7,561,195	475
BDRC0040	32	800,919	7,561,014	473
BDRC0041	32	800,873	7,561,057	478
BDRC0042	31	800,824	7,561,125	477
BDRC0043	29	800,735	7,561,166	480
BDRC0044	27	801,093	7,561,291	477
BDRC0045	31	801,066	7,561,386	477
BDRC0046	31	801,041	7,561,483	480
BDRC0047	30	801,014	7,561,580	480
BDRC0048	30	800,988	7,561,676	479
BDRC0049	29	800,974	7,561,725	479
BDRC0050	26	800,246	7,561,878	485
BDRC0051	19	800,172	7,561,807	485
BDRC0052	32	800,096	7,561,735	489
BDRC0053	37	800,022	7,561,664	490
BDRC0054	32	799,945	7,561,592	490
BDRC0055	28	799,069	7,562,029	495
BDRC0056	23	799,118	7,562,119	495
BDRC0057	32	799,166	7,562,210	494
BDRC0058	35	799,214	7,562,301	493
BDRC0059	40	798,151	7,562,457	499
BDRC0060	32	798,136	7,562,357	501
BDRC0061	32	798,120	7,562,255	503
BDRC0062	18	796,960	7,549,334	530
BDRC0063	20	796,910	7,549,337	531
BDRC0064	32	796,758	7,549,331	532
BDRC0065	30	796,659	7,549,331	532
BDRC0066	20	796,553	7,549,329	533
BDRC0067	17	796,453	7,549,327	534
BDRC0068	50	797,135	7,550,415	530

<b>Hole No</b>	<b>Depth</b>	<b>East MGA</b>	<b>N MGA</b>	<b>RL AHD</b>
BDRC0069	26	797,064	7,550,398	530
BDRC0070	12	796,962	7,550,376	530
BDRC0071	20	796,864	7,550,355	530
BDRC0072	17	796,765	7,550,333	530
BDRC0073	28	796,666	7,550,312	530
BDRC0074	26	796,600	7,550,308	526
BDRC0075	23	796,859	7,551,512	525
BDRC0076	14	796,779	7,551,462	525
BDRC0077	17	796,692	7,551,409	525
BDRC0078	17	796,608	7,551,356	525
BDRC0079	20	796,523	7,551,302	525
BDRC0080	35	796,427	7,551,258	525
BDRC0081	44	796,347	7,551,197	521
BDRC0082	32	796,276	7,551,157	521
BDRC0083	35	795,798	7,551,971	520
BDRC0084	36	795,873	7,552,044	519
BDRC0085	21	795,950	7,552,109	520
BDRC0086	20	796,028	7,552,176	520
BDRC0087	26	796,103	7,552,241	520
BDRC0088	26	796,179	7,552,308	520
BDRC0089	34	795,593	7,553,149	512
BDRC0090	30	795,544	7,553,115	515
BDRC0091	11	795,570	7,553,130	512
BDRC0092	8	795,058	7,554,799	497
BDRC0093	29	795,113	7,554,717	495
BDRC0094	20	795,169	7,554,632	495
BDRC0095	16	795,224	7,554,545	495
BDRC0096	29	795,280	7,554,460	495
BDRC0097	27	795,333	7,554,377	495
BDRC0098	26	795,444	7,554,278	495
BDRC0099	20	795,479	7,554,160	497
BDRC0100	15	794,171	7,554,263	486
BDRC0101	17	794,223	7,554,195	488
BDRC0102	24	794,253	7,554,137	490
BDRC0103	32	793,089	7,553,809	488
BDRC0104	22	793,088	7,553,709	490
BDRC0105	21	793,087	7,553,607	491
BDRC0106	14	793,084	7,553,512	492
BDRC0107	14	793,082	7,553,400	493
BDRC0108	23	793,093	7,553,302	495
BDRC0109	33	793,089	7,553,148	495

Table 2 – Intersections from RC drilling Bonnie Creek CID

## Woggies Well

Hole ID	From	To	Length	Fe	CaFe <sub>1000</sub>	SiO <sub>2</sub>	Al <sub>2</sub> O <sub>3</sub>	CaO	P	S	LOI <sub>1000</sub>
BDRC0039	0	3	3	53.45	60.50	6.36	4.57	0.20	0.02	0.02	11.66
<i>and</i>	6	9	3	52.02	60.67	3.68	3.02	2.44	0.01	0.02	14.26
BDRC0040	8	10	2	<b>55.36</b>	63.16	3.17	3.10	1.05	0.01	0.02	12.37
BDRC0041	7	9	2	<b>54.09</b>	61.66	4.62	3.39	1.13	0.01	0.02	12.28
BDRC0044	0	8	8	53.37	60.90	5.22	3.27	1.71	0.02	0.02	12.41
<i>including</i>	0	2	2	<b>58.37</b>	65.41	3.74	1.32	0.12	0.02	0.01	10.77
<i>including</i>	5	8	3	<b>55.80</b>	63.80	2.95	2.47	1.12	0.01	0.02	12.55
BDRC0045	4	9	5	53.53	61.30	4.04	3.85	1.67	0.02	0.02	12.72
BDRC0046	0	4	4	52.89	60.11	5.68	5.65	0.04	0.02	0.03	12.01
BDRC0047	0	6	6	<b>54.70</b>	61.52	5.45	4.41	0.04	0.02	0.02	11.10
BDRC0048	0	7	7	<b>54.12</b>	61.84	3.89	2.67	2.72	0.02	0.02	12.50
<i>including</i>	3	6	3	<b>55.83</b>	63.56	2.59	2.00	2.67	0.02	0.01	12.17
BDRC0049	0	2	2	52.70	59.73	6.01	4.41	1.34	0.02	0.02	11.79
<i>and</i>	4	5	1	51.19	57.49	6.12	6.18	1.95	0.02	0.02	10.96
BDRC0050	0	1	1	53.00	53.47	10.02	9.05	0.18	0.04	0.02	10.18
BDRC0052	1	2	1	<b>56.65</b>	61.74	4.38	5.38	0.03	0.03	0.03	8.25
BDRC0057	1	3	2	<b>54.77</b>	61.12	5.26	5.03	0.01	0.02	0.03	10.39
<i>and</i>	4	6	2	53.51	59.93	5.93	6.05	0.01	0.04	0.03	10.68
BDRC0058	0	1	1	53.58	59.09	6.77	6.25	0.07	0.03	0.03	9.33

## Ornamental

Hole ID	From	To	Length	Fe	CaFe <sub>1000</sub>	SiO <sub>2</sub>	Al <sub>2</sub> O <sub>3</sub>	CaO	P	S	LOI <sub>1000</sub>
BDRC0064	0	1	1	<b>54.05</b>	60.96	5.06	5.49	0.01	0.02	0.03	11.34
BDRC0073	2	3	1	<b>55.54</b>	61.49	4.80	5.60	0.02	0.03	0.05	9.68
BDRC0082	0	3	3	51.70	57.88	7.46	6.94	0.07	0.03	0.04	10.70
BDRC0089	1	5	4	<b>57.05</b>	64.02	4.63	2.05	0.31	0.03	0.03	10.90
BDRC0091	1	4	3	<b>54.18</b>	60.99	4.82	5.70	0.01	0.02	0.03	11.13

## Bonnie Creek East &amp; Tindish

Hole ID	From	To	Length	Fe	CaFe <sub>1000</sub>	SiO <sub>2</sub>	Al <sub>2</sub> O <sub>3</sub>	CaO	P	S	LOI <sub>1000</sub>
BDRC0026	0	4	4	<b>55.20</b>	61.56	5.90	3.93	0.08	0.03	0.02	10.33
BDRC0027	0	1	1	52.87	59.29	6.66	4.56	1.14	0.03	0.01	10.83
<i>and</i>	9	11	2	53.80	61.74	4.97	2.48	1.34	0.02	0.02	12.88
<i>and</i>	16	19	3	<b>55.92</b>	62.83	3.37	4.71	0.06	0.02	0.02	11.00
BDRC0031	0	2	2	52.63	58.72	5.93	7.10	0.06	0.03	0.05	10.38
BDRC0032	0	2	2	<b>55.29</b>	60.44	4.71	6.75	0.04	0.03	0.06	8.54
BDRC0037	0	4	4	<b>57.31</b>	64.63	3.10	2.88	0.04	0.02	0.02	11.34

## Bonnie Creek Central

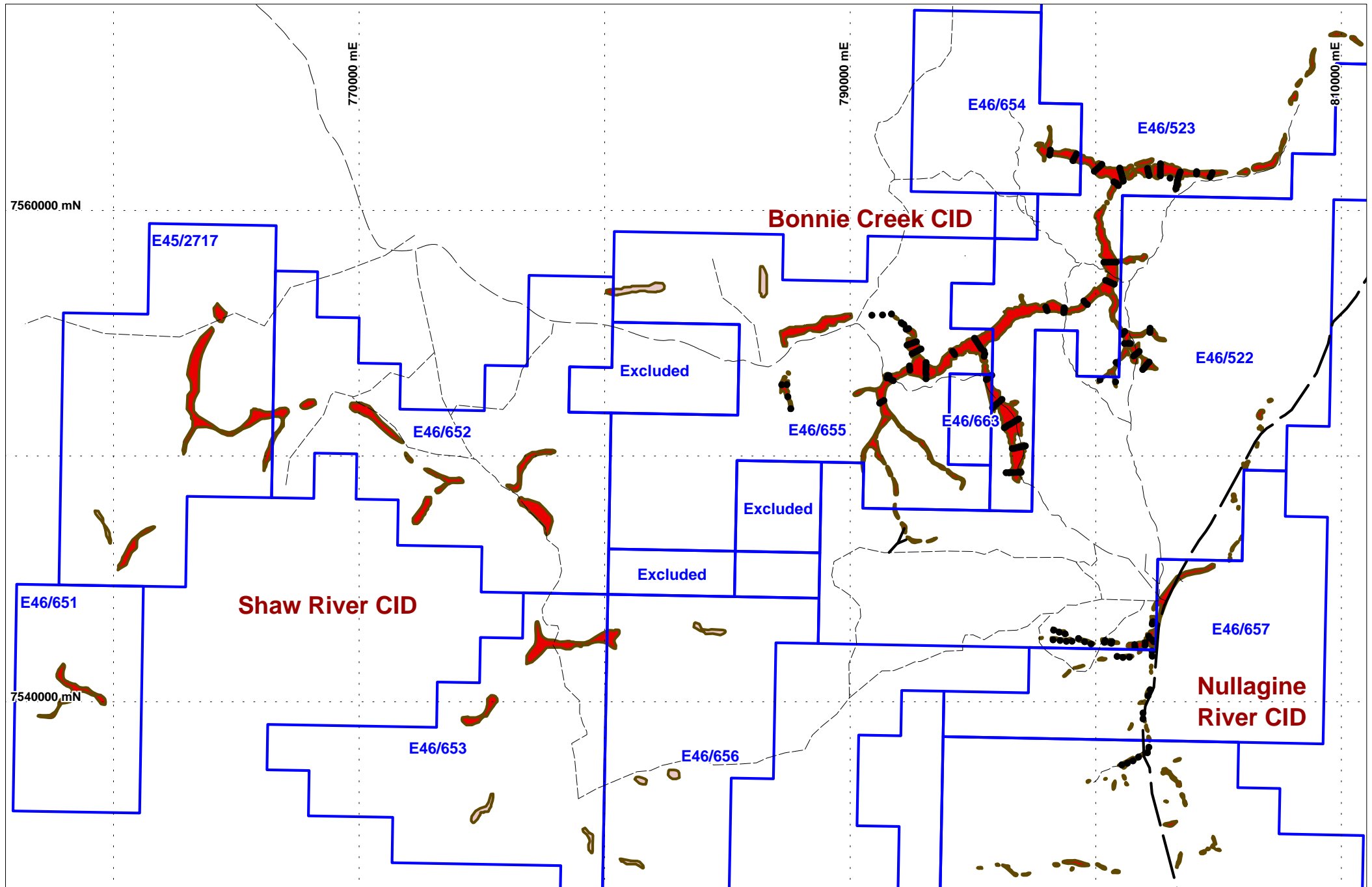
Hole ID	From	To	Length	Fe	CaFe <sub>1000</sub>	SiO <sub>2</sub>	Al <sub>2</sub> O <sub>3</sub>	CaO	P	S	LOI <sub>1000</sub>
BDRC0093	13	15	2	<b>55.45</b>	63.17	4.11	2.53	0.68	0.01	0.02	12.23
	17	18	1	<b>58.51</b>	66.70	1.64	1.54	0.28	0.01	0.01	12.28
BDRC0094	3	5	2	<b>55.68</b>	63.00	4.73	2.67	0.20	0.02	0.03	11.63
	10	11	1	52.30	59.47	6.77	4.78	0.37	0.01	0.02	12.06
BDRC0101	0	2	2	<b>55.83</b>	63.17	4.57	3.17	0.08	0.03	0.02	11.61
	6	16	10	<b>54.50</b>	61.96	4.95	3.47	0.55	0.02	0.02	12.06
<i>including</i>	9	13	4	<b>57.85</b>	65.46	2.88	1.85	0.22	0.02	0.02	11.62

## Goongan Well

Hole ID	From	To	Length	Fe	CaFe <sub>1000</sub>	SiO <sub>2</sub>	Al <sub>2</sub> O <sub>3</sub>	CaO	P	S	LOI <sub>1000</sub>
BDRC0104	5	10	5	<b>58.73</b>	66.43	2.17	1.16	0.41	0.01	0.02	11.59
	12	15	3	<b>58.81</b>	66.65	2.03	1.37	0.24	0.01	0.02	11.77
BDRC0105	5	7	2	<b>56.86</b>	64.72	3.28	1.60	0.66	0.01	0.03	12.15
	10	14	4	<b>55.13</b>	62.82	3.89	3.53	0.50	0.01	0.03	12.35
<i>including</i>	12	14	2	<b>60.13</b>	67.79	0.89	1.34	0.04	0.01	0.02	11.31
BDRC0106	5	14	9	<b>57.25</b>	65.23	2.46	1.74	0.77	0.01	0.02	12.29
<i>including</i>	8	11	3	<b>60.10</b>	67.65	1.73	0.80	0.10	0.01	0.01	11.17
<i>and</i>	12	14	2	<b>59.90</b>	67.86	1.22	0.96	0.05	0.01	0.02	11.73
BDRC0107	10	13	3	<b>54.80</b>	62.09	4.27	4.74	0.13	0.01	0.02	11.75

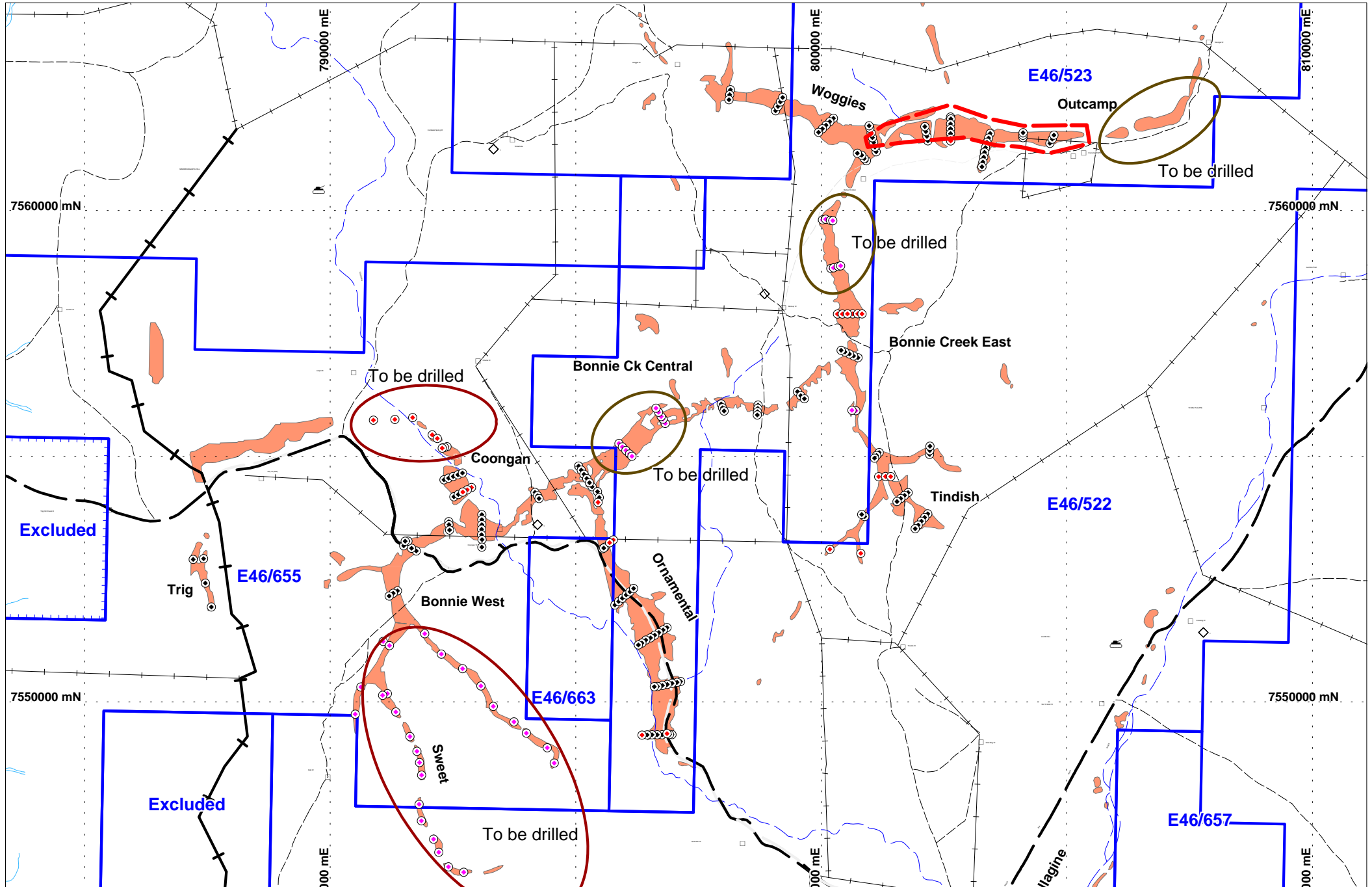
# Nullagine Project - CID Location Plan

0 2.5 5  
kilometres  
Scale 1:200,000



# Bonnie Creek CID - Prospects and drill hole plan

Scale 1:100,000  
kilometres





# Outcamp Prospect CID - Drill hole location plan

